



# House of Representatives

General Assembly

**File No. 297**

January Session, 2013

Substitute House Bill No. 6467

*House of Representatives, April 2, 2013*

The Committee on Commerce reported through REP. PERONE of the 137th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

## ***AN ACT CONCERNING APPLICATIONS FOR FINANCIAL AID FROM CONNECTICUT INNOVATIONS, INCORPORATED.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 32-40 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective July 1, 2013*):

3 (a) All applications for financial aid shall be forwarded, together  
4 with an application fee prescribed by the corporation, to the chief  
5 executive officer of the corporation. Each such application shall be  
6 processed in accordance with the written procedures adopted by the  
7 corporation under subdivision (5) of subsection (d) of section 32-35.  
8 The board of directors or a duly constituted committee thereof shall  
9 approve or deny each application recommended by the chief executive  
10 officer. If the board of directors or any such committee approves an  
11 application, the board or such committee may authorize the  
12 corporation to enter into an agreement or agreements on behalf of the  
13 corporation to provide financial aid to the applicant. The applicant  
14 shall be promptly notified of such action by the corporation.

15 (b) In making the decision as to approval or denial of an application,  
16 the board or any committee of the board shall give priority to those  
17 applicants (1) whose businesses are defense-dependent, or are located  
18 in municipalities which the Commissioner of Economic and  
19 Community Development has declared have been severely impacted  
20 by prime defense contract cutbacks pursuant to section 32-56, and (2)  
21 whose proposed research and development activity, technology,  
22 product or invention is to be used to convert all or a portion of the  
23 applicant's business to non-defense-related industrial or commercial  
24 activity, or to create a new non-defense-related industrial or  
25 commercial business. For purposes of this section, a defense-  
26 dependent business is any business that derives over fifty per cent of  
27 its gross income, generated from operations within the state, from  
28 prime defense contracts or from subcontracts entered into in  
29 connection with prime defense contracts, a significant portion of  
30 whose facilities and equipment are designed specifically for defense  
31 production and cannot be converted to nondefense uses without  
32 substantial investment.

33 (c) All financial and credit information and all trade secrets  
34 contained in any application for financial aid submitted to the  
35 corporation or obtained by the corporation concerning any applicant,  
36 project, activity, technology, product or invention shall be exempt  
37 from the provisions of subsection (a) of section 1-210.

38 (d) Notwithstanding the provisions of subsections (a) and (b) of this  
39 section, the board of directors may delegate to staff of the corporation  
40 the authority to approve any application for financial aid filed  
41 pursuant to this section for not more than one hundred fifty thousand  
42 dollars, provided (1) such application is processed in accordance with  
43 the written procedures adopted by the corporation under subdivision  
44 (5) of subsection (d) of section 32-35, and (2) the sum of the financial  
45 aid requested in such application and the total amount of financial aid  
46 awarded to the applicant by the corporation during the preceding  
47 twelve-month period does not exceed one hundred fifty thousand  
48 dollars.

This act shall take effect as follows and shall amend the following sections:		
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Section 1	<i>July 1, 2013</i>	32-40
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***Statement of Legislative Commissioners:***

In section 1(d), "including such application" was changed to "the sum of the financial aid requested in such application and" for clarity.

**CE**      *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

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**OFA Fiscal Note**

**State Impact:** None

**Municipal Impact:** None

**Explanation**

The bill, which allows Connecticut Innovations, Inc.'s (CII) governing board to delegate staff to review certain applications for assistance, has no fiscal impact.

All applications will continue to be reviewed by CII; however, this provision permits CII staff to review certain applications in the place of the governing board or its committee, at the discretion of the governing board.

**The Out Years**

**State Impact:** None

**Municipal Impact:** None

**OLR Bill Analysis****sHB 6467*****AN ACT CONCERNING APPLICATIONS FOR FINANCIAL AID  
FROM CONNECTICUT INNOVATIONS, INCORPORATED.*****SUMMARY:**

The bill authorizes Connecticut Innovations, Inc.'s (CII) governing board, under certain conditions, to delegate to CII staff its duty to approve or deny applications for loans, loan guarantees, equity investments, and other forms of economic development assistance. The board may delegate this duty for applications requesting no more than \$150,000 in assistance if:

1. the staff processed the application according to CII's written procedures and
2. the total amount of financial assistance that the applicant is requesting and has received during the preceding 12 months does not exceed \$150,000.

Under current law, CII's 17-member board or one of its committees must approve or deny each application recommended by CII's chief executive officer (CEO). By law, staff must submit all applications, together with application fees, to the CEO and CII must process them according to its written procedures.

EFFECTIVE DATE: July 1, 2013

**COMMITTEE ACTION**

Commerce Committee

Joint Favorable Substitute

Yea 19 Nay 0 (03/14/2013)